R4800-2

ENDING BUSING

A federal appeals court has ruled that the Norfolk school district may abandon its 14-year-old busing plan in favor of a system of neighborhood schools—a decision that could influence other school districts across the nation that now have busing plans.

See Page 9.

MODIFYING PLANS

To reward more teachers and alleviate many of the morale and administrative problems associated with Florida's master-teacher program, Gov. Robert Graham has proposed a plan that would convert the program into a five-rung career-ladder system.

See Page 4.

PROMOTING CHOICE

A group of moderate Republicans is drafting its own version of a Chapter 1 voucher bill; it differs from the Administration proposal on several key points and could improve the political viability of the voucher concept in the Congress.

See Page 12.

EDUCATION WEEK

American Education's Newspaper of Record Volume V, Number 22 · February 12, 1986

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U.S. Judge Cancels Pact in Alabama On Teacher Tests

600 Black Teachers Again To Be Denied Certificates

By Lynn Olson

A controversial court settlement that would have required Alabama to completely revamp its tests for teacher certification to prevent discrimination against blacks was thrown out of court last week by the same federal judge who had initially approved it.

The judge's surprise action—following months of public outcry over the terms of the settlement—left educators and those involved in the litigation "stunned," said one official.

The case, among the first to test the constitutionality of a state's teacher-testing program, had aired many of the issues of discrimination that now surround such tests. The out-of-court settlement had been opposed by many who said it would permit incompetent teachers in the classroom.

Nonetheless, the presiding judge's unusual about-face appeared to be totally unexpected.

As a result of the judge's action, the more

Continued on Page 20

$2.5 Billion in Cuts Proposed for Education Budget

Big College-Aid Programs Targeted for Sharpest Drop

By Robert Rothman

WASHINGTON—Reporters here witnessed a preview of the upcoming debate over the fiscal 1987 education budget last week, as higher-education representatives, saying the Reagan Administration was "living in a dream world," engaged in an impromptu clash with Education Department officials on the sidewalk outside their office building.

The representatives had called a press conference to denounce the Administration's proposed cutbacks in student aid, arguing that the reductions would result in two million fewer aid awards, crippling the ability of lower- and middle-income students to attend college.

But in the middle of their presentation, they were challenged by Undersecretary Gary L. Bauer, who argued that the cuts were necessary to reduce the federal budget deficit.

"We await with interest your proposals on where you would find the savings," said Mr. Bauer.

"We will take our lumps if everyone else does," said Dale Parnell, president of the

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Budget Highlights

Frozen at FY 1986 Levels

Chapter 1	$3.7 billion
Block Grants	$500 million
Bilingual Education	$143 million
Magnet Schools	$75 million
Head Start	$1 billion

Proposed Cuts

Vocational Education	$408 million
Special Education	$50 million
College-Student Aid	$2.0 billion
Job Training Partnership	$700 million
Child Nutrition Programs	$772 million

Targeted for Elimination

Aid for asbestos abatement; Carl D. Perkins scholarhips for prospective teachers; immigrant-education aid; public-library assistance; excellence-in-education demonstration grants; Impact Aid 'B' payments; Follow Through; civil-rights technical assistance; women's educational equity programs; Ellender Fellowships.

Increases, New Initiatives

Research and statistics; Indian education; teacher-training grants; restructured student-aid program.

Vocational Aid Is Halved; Smaller Programs Dropped

By James Hertling

WASHINGTON—The Reagan Administration's fiscal 1987 budget proposes sharp cuts in aid for vocational and higher education, but increased funds for education research and efforts to improve teaching.

Under the spending plan sent to a largely skeptical Congress last week, the Education Department's budget next year would be $15.2 billion. That figure is $3.2 billion less than the current Congressional appropriation, and $2.5 billion below the reduced levels required in fiscal 1986 by the Gramm-Rudman-Hollings deficit-reduction law. The department's budget proposal—the first prepared under Secretary of Education William J. Bennett—would hold most major school-aid accounts at or near current levels.

See related stories, page 13.

Some programs—including Chapter 1 compensatory-education funds, Chapter 2 block grants to states, and bilingual education—would be restored to the levels set before the recent 4.3 percent cuts mandated by Gramm-Rudman-Hollings.

Overall, the Administration proposes

Continued on Page 13

Across the Nation, Personal Tributes to Shuttle Crew

By Blake Rodman

Americans of all ages last week responded to the space-shuttle tragedy by joining in efforts to memorialize the seven lost astronauts and to keep alive their pioneering spirit.

NASA officials said last week that the agency had received calls from hundreds of people offering to donate money for a new shuttle orbiter, to help provide for the children of the astronauts, or to contribute to scholarship funds set up in their honor.

NASA telecast stalled, page 16.

People obviously have a need to do some'hing," said Barbara E. Selby, a NASA spokesman. "It's just part of human nature for people to band together in times of tragedy."

Schoolchildren all over the country, many of whom were watching on television

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UPI/BETTMAN ARCHIVE

Christa McAuliffe's husband, Steven, and son, Scott, along with Barbara Morgan, alternate teacher in space, attend a memorial service in Concord, N.H.

Bennett's Plan for Bilingual Overhaul Heats Up Debate

By James Crawford

WASHINGTON—The Education Department's plan to overhaul the way it funds bilingual education has set off a politically charged debate that extends beyond issues of educational effectiveness.

Representative Matthew G. Martinez, a California Democrat who chairs the Congressional Hispanic Caucus, called the department's proposed rules "an act of war upon our children" and an attempt "to dismantle" the bilingual-education program.

See related stories, page 23.

Gerda Bikales, executive director of U.S. English, a group that has lobbied for a con-

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Budget Halves Voc-Ed. Funds But Proposes Research Hike

Continued from Page 1

$994 billion in federal spending—about $32 billion below current-service levels—with a deficit of $143.6-billion. The deficit-reduction law set a $144-billion deficit ceiling for fiscal 1987.

The budget proposal would slash the current deficit by more than $40-billion, mainly through deep reductions in domestic spending, the elimination of scores of programs, and a strategy of "privatization"—the sale of certain government assets to the private sector. At the same time, the Administration is calling for a sharp rise in defense spending.

Republican and Democratic Congressional leaders have already described the budget as "dead on arrival." Many lawmakers have said a tax hike will be necessary to achieve significant deficit reductions—an option adamantly opposed by President Reagan.

Administration officials have downplayed the possibility of an early "grand compromise" with the Congress on the budget issue. The stage is thus set for a major confrontation.

Disagreement on Impact

Officials in the legislative and executive branches have expressed sharply divergent opinions on the budget plan's likely impact on education.

The Democratic chairman of the House Education and Labor Committee, Representative Augustus F. Hawkins of California, said it is "inhumane and fiscally unsound to balance the budget by sacrificing the education, health, and well-being of our youth."

Mr. Bennett, however, minimized the effects of the proposed reductions, noting that federal dollars account for only 7 percent of expenditures on education nationwide. He also asserted that the economic recovery has made it easier for state and local governments to increase aid to schools.

"As a result of the improved economy and the national focus on education," the Secretary said at a press conference, "states and localities have decided to increase their education spending in recent years and are continuing to do so."

Another senior department official characterized the education spending plan as "intellectually focused and coherent."

The department is requesting $5-billion for the office of elementary and secondary education, slightly above the current $4.9-billion total.

The $2.5-billion reduction in 1987 would be achieved by eliminating $1 billion in funds already appropriated for 1986—cuts known as rescissions—and by making $1.5 billion in new cuts.

If its proposals for next year are adopted, the Administration projects a steady decline in the department's spending to $14 billion by fiscal 1991.

New Directions

Despite fiscal constraints, Mr. Bennett is proposing at least one new initiative for elementary and secondary education, as well as several clear reversals of previous funding priorities.

The new initiative—which Mr. Bennett called a "teacher training and improvement act"—would allocate $75 million for efforts to "improve the quality of the teaching profession." The proposal would broaden the department's current emphasis—required by the Education for Economic Security Act—on upgrading the quality of mathematics and science teachers. *(See story on this page.)*

The department would fold three programs, now funded at $52.2 million, into this new one.

Mr. Bennett is seeking to eliminate another teaching-related effort: the new $9.6-million Carl D. Perkins scholarship program aimed at encouraging top high-school students to enter the profession.

In a major shift reflecting Mr. Bennett's priorities, the budget for research and statistics-gathering would rise by more than $13 million, from $57 million to $70.2 million.

Within that total, according to Chester E. Finn Jr., assistant secretary for educational research and improvement, the department will ask the Congress to earmark $24.8-million for the research office, a $2.8-million increase; $18.3 million for statistics-gathering, a $5.5-million hike; $19.1 million for the programs for improvement of practice office, a $900,000 increase; and $8-million for the information office, $1.4 million more than the current level.

Explaining the increase, Mr. Bennett said research is a uniquely federal role in education, and "we simply can't do the research without the increase."

The total O.E.R.I. budget would fall from $179 million to the $70.2-million level because the department proposes to kill the public-library-aid programs now administered by the research office.

And in a reversal of an earlier position, the department has asked the Congress to maintain the $75-million appropriation for magnet-school aid. According to a senior department official, magnet schools have proved to be a successful "choice vehicle." Increasing parental choice in their children's schooling is a goal frequently emphasized by Mr. Bennett.

Deep Reductions

In what would be its biggest single reduction, the department proposes to slash spending for higher education from $8.4 billion to $6.4-billion and to overhaul its financial-aid programs for postsecondary students. These changes could result in a 20 percent reduction in the proportion of college students receiving federal aid, Mr. Bennett estimated. *(See story on page 1.)*

In another area targeted for significant cuts, the department would reduce funding for vocational education from $813 million to $408 million. The department is requesting a $210-million rescission in fiscal 1986 and an additional $194-million cut for fiscal 1987.

Grants to community-based organizations and for consumer and homemaker education that are included in the vocational-education budget would be eliminated, as would grants to states that are not specifically earmarked by law for the disadvantaged and handicapped.

A senior department official, ex-

Continued on Page 14

Budget Proposals

Spending Plan Drops 'Middle-Income' Food Subsidies

WASHINGTON—President Reagan's budget for fiscal 1987 proposes to change laws governing federal child-nutrition programs, which include the school-lunch and breakfast programs, to produce cuts of about $775 million.

The budget released last week proposes funding the programs at $3.82 billion; under current law, spending in 1987 for the programs is projected to total $4.58 billion.

Most of the child-nutrition programs are exempt from the Gramm-Rudman-Hollings deficit-reduction law.

One of the most controversial changes suggested is the elimination of about $721 million in "middle-income subsidies" for breakfast and lunch programs in schools and federally funded day-care centers. Children whose parents make above 185 percent of the poverty line, or about $19,000 a year for a family of four, would be affected.

Elimination of such subsidies was part of the President's budget proposal last year, but failed to win Congressional approval.

Advocacy groups have expressed concern that schools with a relatively large proportion of middle-income students may choose to leave the program if the President's proposal is adopted, because without the subsidies the program would no longer be economically feasible for such schools.

Loss of Participants

Schools are not required, under federal law, to provide free or reduced-price meals unless they volunteer to participate in the national school-lunch program. About 23-million children participate in the program nationwide, and according to budget documents, half of the students receiving school-lunch subsidies are considered middle-income.

The middle-income subsidy "is not a transfer payment to individuals, but a grant-in-aid to schools to support the basic infrastructure of the school-lunch program," said Gene White, legislative chairman of the American School Food Service Association.

The President's budget proposes reducing funding for the Women, Infants, and Children (WIC) feeding program from $1.63 billion to $1.62 billion, according to figures from the Office of Management and Budget.

Program Reductions

Because of the reduction, some 27,000 participants would have to be removed from the program in 1987, according to an analysis by the Center on Budget and Policy Priorities in Washington.

The budget also proposes eliminating the $5-million Nutrition and Education Training Program and reducing funding for the special milk program, which provides half-pints of milk to children in schools and institutions that do not participate in federal feeding programs, from $16.3 million to $1.4 million.

The President's budget runs counter to legislation, HR 7, passed by the House and Senate last year and now being negotiated in conference. The legislation would reauthorize the child-nutrition programs at least at current-service levels for the next three years. —A.T.

Labor Cutbacks Would Hit Youth-Training Programs

By Alina Tugend

WASHINGTON—Under the Administration's 1987 budget proposal for the major federal job-training program, nearly half of the Job Corps centers nationwide would be closed and the summer youth-employment program would be scaled down.

The budget proposes cutting overall spending for the Job Training Partnership Act from $2.97 billion—a 1986 figure that reflects about $149 million in cuts triggered by the Gramm-Rudman-Hollings deficit-reduction law and $342 million in proposed rescissions—to $2.9 billion.

The Job Corps, which serves young people ages 16 to 21, would bear the brunt of the cut for 1987. The President's plan would slash the program's $640-million allocation for 1986—which the budget says would drop to $28 million with Gramm-Rudman-Hollings cuts and $197 million in proposed rescissions—to $351 million.

That reduction would mean the closing of about 40 of the 107 Job Corps centers around the country, beginning as early as this spring, according to Undersecretary of Labor Dennis Whitfield. The number of participants would drop from about 40,500 to 22,000.

Targeted for Elimination

The Job Corps has been targeted for elimination by the Administration in the past, but has survived because of strong Congressional support. It serves "hard-core" unemployed youths.

Mr. Whitfield said that while the Labor Department supports the program, "we are trying to face reality—some of the centers just aren't cost-effective." He said the cost per participant can range from $8,000 to $18,000, depending on the center.

The department is planning, he added, to draw up a list of criteria to judge the centers, such as cost-effectiveness, the number of participants who remain in the programs, and the number who are placed in jobs.

Under the budget proposal, the summer youth program would be funded at $428 million, a reduction from the $664 million the Congress allocated before the cuts forced by rescissions. The program serves 14-to-21-year-olds.

The cuts would reduce the number of participants in the program from 467,000 in 1987 to 414,300 in 1988, according to a Labor Department spokesman.

Those familiar with the J.T.P.A. have long criticized it for what they say is its "creaming" effect—that it serves the more promising candidates for work among the unemployed populations. The budget cuts, said Ellen Vollinger of the Full Employment Action Council, an advocacy organization, would "simply accentuate the creaming."

Under the budget proposal, a portion of the funds for the summer youth program would be mandated for a basic-literacy program now being jointly developed by the Labor and Education Departments, according to Mr. Whitfield.

The budget would maintain funding at the current-services level of about $1.8 million for Title IIA, which is aimed at disadvantaged workers. Half of the money allocated for Title IIA goes to young people between the agess of 16 and 21.

Bennett Asks $75 Million for New Teacher-Training Bill

WASHINGTON—Secretary of Education William J. Bennett's plan for a $75-million program "to improve the quality of the teaching profession" marks an apparent change of thinking for him on the appropriate federal role in teacher education.

In an August 1985 interview with *Education Week*, he indicated that federal initiatives to alleviate the expected teacher shortage were unlikely.

Questions of teacher quality and quantity, while a nationwide problem, he said in the interview, remain "largely, almost exclusively, a local situation," best confronted by state and local governments.

But an Education Department budget document calls the aims of the proposal, one of the few new initiatives in its $15.2-billion fiscal 1987 budget request, an "appropriate" federal activity.

The goal of the "teacher training and improvement act" is "to help teachers in all disciplines gain additional expertise, to encourage and recognize outstanding teachers, and to encourage qualified persons from other professions to enter teaching," Mr. Bennett said at a press conference last week.

The proposal would provide $60-million in state grants to finance in-service training for teachers and administrators, retraining for teachers in new subjects, and programs for professionals in other fields who wish to become teachers.

If these needs are being met, states could use the funds to improve preservice teacher-education programs; that is a "secondary objective" of the proposal, says a department budget document.

The Secretary would reserve $15-million in discretionary money.

Technically, the proposal would amend the Education for Economic Security Act, which requires the department to target $43.1 million in teacher-training funds for mathematics and science. Mr. Bennett's proposal, for which legislation must be introduced and enacted, would involve teachers from all disciplines.

Mr. Bennett's proposal would also consolidate the new $7.2-million Leadership in Educational Administration program for school administrators and $1.9 million for teacher training in U.S. territories. —J.H.

Cuts Called for in E.D. Budget

Continued from Page 13

plaining the rationale for seeking a reduction in vocational aid, said federal dollars would be more useful if directed toward general education in basic subjects.

Cuts 'Not Large'

The planned cut, the official noted, "while large from the point of view of our own budget, is not large" in relation to state and local contributions to vocational education and to Labor Department and private-sector job-training efforts.

The Labor Department's job-training programs, however, underwent reductions this year and are again slated for deep cuts in fiscal 1987. *(See story on page 13.)*

Commenting on the vocational-aid cut, Dean Griffin, executive director of the American Vocational Association, said, "Their rationale is faulty, their logic is faulty, and their conclusions are faulty."

"It seems that the Secretary is ignoring the vast majority of working people in this nation," he added.

Some Cuts Restored

In other program areas, the 1987 budget would restore funds to some major school programs that were cut under the Gramm-Rudman-Hollings mandate.

Chapter 1 compensatory education would be funded at $3.7 billion. Within this account, $61 million would be shifted from migrant education to grants to local educational agencies, which would then total $3.26 billion.

Mr. Bennett's budget reiterates his support for Chapter 1 vouchers and notes that the Administration again plans to introduce tuition tax-credit legislation to promote choice and tax equity for parents with children in private schools.

Chapter 2 block grants would again be funded at $500 million, and the budget again would allot $143 million for bilingual-education programs.

The budget proposal restates Mr. Bennett's intention to seek legislation allowing school districts to use bilingual-education funds for any instructional method they wish. *(See story on page 1.)*

Other Cuts Proposed

In addition, a variety of other department programs are marked for cutbacks or abolition:

- Special-education funds would be reduced from their current level of $1.35 billion—which includes the first round of Gramm-Rudman-Hollings cuts—to $1.3 billion.

Moreover, the department is requesting a $28-million rescission in grants to states but a $2.3-million increase in preschool-incentive grants.

Department officials, in their budget proposal and in a subsequent briefing, expressed concern about the increasing number of students classified as learning-disabled—an issue that a department panel is now studying.

But they said they are unlikely to propose a federal initiative in this area.

- As it has proposed unsuccessfully in the past, the Administration would eliminate $124.4 million in impact aid "B" payments to districts where parents live or work on federal installations.
- Many smaller programs are also marked for abolition, including $28.7 million in emergency immigrant-education aid, the $5.7-mil-

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Footnotes to Budget Table

1 Preliminary estimates.
2 Replaces Science and Mathematics Education, Territorial Teacher Training, and Leadership in Educational Administration.
3 Includes funding previously associated with the Johnson O'Malley program of awards to public school districts (Department of Interior/Bureau of Indian Affairs). Comparable Johnson O'Malley amounts are: 1985 appropriation, $25,674 thousand; 1986 appropriation, $20,500 thousand.
4 The appropriation for this program is contained in the Interior bill.
5 The appropriation for this program is contained in the fifth continuing resolution for 1986, Pub.L. 99-190.
6 Adjusted for comparability. Excludes $136 thousand in 1985 and $148 thousand in 1986 for field-reader activities, which are transferred to Salaries and Expenses in 1987.
7 Does not reflect a reduction of $160 thousand required by Section 515 of the Treasury-Postal Service Appropriations Act, 1986. Because that amount must be placed in reserve, it cannot be obligated and will lapse.
8 Adjusted for comparability. Excludes $1 thousand in 1985 and $2 thousand in 1986 for field-reader activities, which are transferred to Salaries and Expenses in 1987.
9 This program was appropriated under the Bilingual Education account in fiscal year 1986.
10 Adjusted for comparability. Excludes $172 thousand in 1985 and $236 thousand in 1986 for field-reader activities, which are transferred to Salaries and Expenses in 1987.
11 Adjusted for comparability. Excludes $138 thousand in 1985 and $189 thousand in 1986 for field-reader activities, which are transferred to Salaries and Expenses in 1987.
12 Adjusted for comparability. Excludes $52 thousand in 1985 and $71 thousand in 1986 for field-reader activities, which are transferred to Salaries and Expenses in 1987.
13 Does not reflect a reduction of $212 thousand required by Section 515 of the Treasury-Postal Service Appropriations Act, 1986. Because that amount must be placed in reserve, it cannot be obligated and will lapse.
14 Adjusted for comparability. Excludes $68 thousand in 1985 and $94 thousand in 1986 for field-reader activities, which are transferred to Salaries and Expenses in 1987.
15 Does not reflect a reduction of $200 thousand required by Section 515 of the Treasury-Postal Service Appropriations Act, 1986. Because that amount must be placed in reserve, it cannot be obligated and will lapse.
16 Adjusted for comparability. Excludes $107 thousand in 1985 and $125 thousand in 1986 for field-reader activities, which are transferred to Salaries and Expenses in 1987.
17 Adjusted for comparability. Excludes $1,454 thousand for administrative activities, which are transferred to Salaries and Expenses in 1987.
18 Supplementedl by $52,432 thousand in net offsetting collections, bringing the program level to $190,000 thousand.
19 Adjusted for comparability. Excludes $1,500 thousand in 1985 and $5,966 thousand in 1986 for administrative activities, which are transferred to Salaries and Expenses in 1987.
20 Reflects a savings of $15,423 thousand in 1987, which results from the sequester in 1986.
21 Adjusted for comparability. Excludes $126 thousand in 1985 and $400 thousand in 1986 for field-reader activities, which are transferred to Salaries and Expenses in 1987.
22 Adjusted for comparablity. Includes $1,575 thousand in 1985 and $7,520 thousand in 1986 for activities transferred to Salaries and Expenses in 1987; $1,500 thousand in 1895 and $5,966 thousand in 1986 from Guaranteed Student Loans and $1,454 thousand in 1986 from Student Financial Assistance is for administrative activities and $75 thousand in 1985 and $100 thousand in 1986 from Higher Education Facilities Loans and Insurance is for loan servicing.
23 Adjusted for comparability. Includes $800 thousand in 1985 and $1,265 thousand in 1986 for field-reader activities, which are transferred to Salaries and Expenses in 1987; $137 thousand in 1985 and $150 thousand in 1986 from Bilingual Education, $430 thousand in 1985 and $590 thousand in 1986 from Education for the Handicapped, $107 thousand in 1985 and $125 thousand in 1986 from Rehabilitation Services and Handicapped Research, and $126 thousand in 1985 and $400 thousand in 1986 from Education Research and Improvement.
24 Does not reflect a reducation of $945 thousand required by Section 515 of the Treasury-Postal Service Appropriations Act, 1986. Because that amount must be placed in reserve, it cannot be obligated and will lapse.
25 Does not reflect reductions required by Section 515 of the Treasury-Postal Service Appropriations Act, 1985.
26 Note: Because some higher-education and other Education Department programs have been omitted, the total does not exactly reflect the line items in this table.

Source: Education Department.

DATABANK

Proposed 1987 Education Budget

	1985 Appropriation	1986 Appropriation	1986 Revised Request*	1987 President's Budget
		FY 1987		
		(in thousands)		
COMPENSATORY EDUCATION FOR THE DISADVANTAGED				
Basic grants for the disadvantaged (Chapter 1):				
Grants to local educational agencies	$3,200,000	$3,200,000	$3,062,400	$3,261,005
State agency programs:				
Migrant	264,524	264,524	253,149	202,519
Handicapped	150,170	150,170	143,713	150,170
Neglected and delinquent	32,616	32,616	31,214	32,616
State administration	35,607	35,607	34,076	35,607
Evaluation and technical assistance	5,246	5,246	5,020	6,246
TOTAL, Chapter 1	3,688,163	3,688,163	3,529,572	3,688,163
IMPACT AID				
Maintenance and operations:				
Payments for 'a' children	513,000	513,000	490,941	513,000
Payments for 'b' children	130,000	130,000	124,410	—
Special provisions	22,000	22,000	21,054	20,000
Disaster assistance	10,000	10,000	9,570	10,000
Construction	20,000	17,500	16,747	5,000
TOTAL, impact aid	695,000	692,500	662,722	548,000
SPECIAL PROGRAMS				
Improving school programs (Chapter 2):				
State block grants	503,000	500,000	478,500	500,000
Secretary's discretionary fund:				
Inexpensive book distribution	7,010	7,000	6,699	7,000[1]
Arts in education	3,157	3,157	3,021	3,157[1]
Alcohol and drug-abuse education	3,000	3,000	2,871	3,000[1]
Law-related education	2,000	2,000	1,914	2,000[1]
Other discretionary programs	16,752	13,752	13,161	13,752
Total, Chapter 2	531,909	528,909	506,166	528,909
Teacher training and improvement:				
State grants	—	—	—	69,000[2]
Secretary's discretionary fund	—	—	—	15,000[2]
Science and mathematics state grants	30,100	40,950	39,190	—
Science and mathematics Secretary's discretionary fund	9,900	4,050	3,876	—
Territorial teacher training	2,000	2,000	—	—
Leadership in educational administration	—	7,500	—	—
Excellence in education	5,000	2,500	—	—
Magnet schools assistance	75,000	75,000	71,775	75,000
Women's educational equity	6,000	6,000	—	—
Training and advisory services	24,000	24,000	16,000	—
General assistance for the Virgin Islands	2,700	5,000	—	—
Ellender fellowships	1,500	1,700	—	—
Follow through	10,000	7,500	—	—
TOTAL, special programs	758,109	705,109	637,007	679,909
INDIAN EDUCATION				
Grants for Indian children:				
State grants	—	—	—	70,323[3]
Payments to local educational agencies (LEA's) and Indian-controlled schools	50,323	50,021	41,870	—
Adult education	2,940	2,922	2,797	2,940
Special programs for Indian students	11,760	11,809	11,301	—
Program administration:				
Salaries and expenses	2,156	2,097	2,007	2,180
National advisory council	225	222	212	286
TOTAL, Indian education	67,404[4]	67,071[5]	64,187	75,729
BILINGUAL EDUCATION				
Bilingual education:				
Bilingual programs	94,963[6]	94,951[6]	90,862[6]	99,285
Support services	10,600	10,600[7]	10,151[7]	10,100
Training grants	33,565[8]	33,564[8]	32,121[8]	33,566
TOTAL, bilingual education	139,128	139,115	133,134	142,951
IMMIGRANT EDUCATION				
Immigrant education	30,000	30,000[9]	—	—
TOTAL, immigrant education	30,000	30,000	—	—
EDUCATION FOR THE HANDICAPPED				
State grants:				
State grant program	1,136,146	1,215,550	1,135,146	1,135,146
Preschool incentive grants	29,000	30,000	28,710	31,000
Special-purpose funds:				
Special populations:				
Deaf-blind centers	14,626[10]	14,784[10]	11,784[10]	9,000
Severely handicapped projects	4,300	5,000	4,300	4,300
Early childhood education	22,500	24,000	22,500	22,500
Secondary and transitional services	9,300	9,810	9,810	9,810
Postsecondary programs	5,000	5,000	5,000	5,000
Research and demonstration:				
Innovation and development	17,000[11]	16,311[11]	16,311[11]	16,500

* Includes cuts under Gramm-Rudman-Hollings and proposed rescissions.

	FY 1987			
	1985 Appropriation	1986 Appropriation	1986 Revised Request*	1987 President's Budget
	(in thousands)			
Media services and captioned films	16,488[13]	17,429[13]	16,429[13]	16,500
Special studies	3,170	3,440[13]	2,212[13]	2,000
Training and information:				
Special-education personnel development	80,932[14]	83,905[14]	49,906[14]	48,000
Recruitment and information	1,025	1,110	1,025	1,025
Regional resource centers	6,000	6,300	6,000	6,000
TOTAL, education for the handicapped	**1,320,849**	**1,410,410**	**1,306,382**	**1,303,100**
REHABILITATION SERVICES AND HANDICAPPED RESEARCH				
Vocational rehabilitation state grants	1,100,000	1,190,000	1,100,000	1,100,000
Special-purpose funds:				
Client assistance	6,300	6,700	6,300	6,300
Innovation and expansion	—	9,000	8,613	9,000
Service and demonstration projects:				
Special demonstration programs	14,635	20,200	13,829	14,635
Recreational programs	2,100	2,200	—	—
Migratory workers	950	1,000	950	950
American Indians	1,430	1,400	715	715
Projects with industry	14,400	15,200	13,000	13,000
Independent living:				
Comprehensive services	5,000	11,000	5,000	—
Centers	22,000	23,000	22,000	22,000
Services for older blind	—	5,000	—	—
Training	22,000	27,000	20,000	15,000
Evaluation	2,000	2,000[15]	800[15]	600
National Institute of Handicapped Research	38,893[16]	43,875[16]	38,875[16]	39,000
Helen Keller National Center for Deaf-Blind Youths and Adults	4,200	4,300	4,115	4,200
TOTAL, rehabilitation services and handicapped research	**1,233,908**	**1,361,875**	**1,234,197**	**1,225,400**
VOCATIONAL AND ADULT EDUCATION				
Vocational education:				
State programs:				
Basic grants	782,503	782,381	575,852	387,156
Community-based organizations	—	7,500	—	—
Consumer and homemaker education	31,633	31,633	—	—
State councils	7,000	7,300	6,986	7,000
National programs:				
Research	6,535	7,700	7,369	4,318
Demonstrations	143	—	—	—
Data systems	3,500	2,300	2,201	2,500
Bilingual vocational training	3,686	3,686	3,527	—
Permanent appropriation	7,148	7,148	6,841	7,148
Adult education:				
Grants to states	101,963	101,963	97,579	102,000
Research, development, and evaluation	—	—	—	2,000
TOTAL, vocational and adult education	**944,111**	**951,611**	**700,355**	**512,122**
STUDENT FINANCIAL ASSISTANCE				
Pell grants:				
Academic-year program	3,612,000	3,586,546[17]	3,432,262[17]	3,000,000
Shortfall, 1983	250,000	—	—	—
Shortfall, 1986	—	—	—	250,000
Campus-based aid:				
Campus-based aid	—	—	—	400,000
Supplemental educational opportunity grants	412,500	412,500	257,500	—
Work-study	592,500	592,500	502,500	–
Direct loans:				
Income-contingent loans	—	—	—	137,568[18]
Federal capital contribution	192,482	190,000	—	—
Teacher cancellations	25,000	28,000	26,796	25,000
State student incentive grants	76,000	76,000	—	—
TOTAL, student financial assistance	**5,160,482**	**4,885,546**	**4,219,058**	**3,812,568**
GUARANTEED STUDENT LOANS				
Guaranteed student loans	3,077,977	3,294,034	3,325,019	2,329,586
Supplemental for 1985 costs	206,534	—	—	—
Supplemental for 1986 costs	513,812	—	—	—
TOTAL, guaranteed student loans	**3,798,323[19]**	**3,294,034[19]**	**3,325,019[19]**	**2,329,586[20]**
EDUCATION RESEARCH AND IMPROVEMENT				
Education research and improvement	59,652[21]	59,578[21]	56,999[21]	70,231
TOTAL, educational research and improvement	**59,852**	**59,578**	**56,999**	**70,231**
LIBRARIES				
Public-library services	75,000	75,000	71,774	—
Public-library construction	25,000	22,500	—	—
Inter-library cooperation	18,000	18,300	17,226	—
Library literacy programs	—	5,000	—	—
Training and demonstrations:				
Library-career training	636	640	—	—
Library research and demonstrations	364	360	—	—
Research libraries	6,000	6,000	—	—
TOTAL, libraries	**125,000**	**127,500**	**89,000**	**—**
SALARIES AND EXPENSES				
Program administration:				
Postsecondary education	79,287[22]	85,151[22]	81,813[22]	85,440
Other education programs	59,311[23]	57,949[23]	55,511[23]	63,706
Executive direction	104,852	91,552	87,615	92,046
Civil rights	45,000	44,500[24]	42,704[24]	38,185
Inspector general	15,312	15,312	14,654	16,378
TOTAL, salaries and expenses	**303,762[25]**	**294,544**	**282,297**	***295,755**
TOTAL, DEPARTMENT OF EDUCATION[26]	**19,078,624**	**19,491,430**	**18,707,804**	**15,218,604**

* Includes cuts under Gramm-Rudman-Hollings and proposed rescissions.

Higher-Ed. Programs Targeted For Reduction, Reform in 1987

Continued from Page 1

American Association of Community and Junior Colleges. Mr. Parnell added that the Congress should consider cutting defense programs and raising revenues before cutting student aid.

For fiscal 1987, the Administration has proposed reducing student-aid expenditures by $2 billion from the $8.1-billion level passed by the Congress for fiscal 1986. However, the Gramm-Rudman-Hollings budget-reduction law is expected to trim fiscal 1986 spending to $7.9 billion.

The Education Department's budget proposal would cut Pell Grants from $3.6 billion to $3 billion and would combine work-study aid and Supplemental Opportunity Grants into a single program, cutting spending on the two programs from $1 billion to $400 million.

In addition, the department would reduce spending on Guaranteed Student Loans from $3.3 billion to $2.3 billion, primarily by eliminating the federal subsidy for the loans while the student is in school or deferring payment and by tightening eligibility for aid.

The budget also includes a new proposal that would convert the subsidized National Direct Student Loan program to an unsubsidized program, in which the repayment rate would be based on a student's after-college income. And the department proposes strengthening debt-collection efforts—for example, by asking the Internal Revenue Service to reduce income-tax refunds of student-loan defaulters.

Other proposals include:

- Requiring a uniform needs-analysis test for all recipients of student aid, and requiring a greater family contribution to educational costs. In a new development, the department dropped proposals from prior budget requests to limit financial assistance to families with incomes below a certain level.
- Requiring financial-aid recipients to pay college costs of at least $800 a year to be eligible for federal aid, and limiting grants to 60 percent of those costs.
- Limiting financial aid to students with a high-school diploma or the equivalent.
- Eliminating allowances paid to reimburse educational institutions for the administration of financial-aid programs.
- Limiting the federal guarantee of student loans made by private banks to 90 percent of the principal, instead of 100 percent, as is currently the case.
- Raising from $3,000 to $5,000 annually, and from $15,000 to $25,000 cumulatively, the maximum loan levels under the Parental Loan to Assist Undergraduate Students (PLUS) program; these are unsubsidized and carry a higher interest rate than G.S.L.'s. In addition, the department proposes to charge fees equal to 5 percent of the principal on both G.S.L.'s and PLUS loans.
- Eliminating the $12-million graduate and professional opportunity fellowship program, and the $1.5-million CLEO program, which provides legal training for the disadvantaged.

Secretary of Education William J. Bennett, at a press conference to present the budget last week, defended the proposals as fair. He said that while the cutbacks would reduce the proportion of college students receiving aid from 50 percent to 40 percent, those affected would be the most affluent, who can find ways of affording higher education.

"There will not be a student in America who wants to go to college who will not be able to go to college and get a good education," said Mr. Bennett.

Fewer Restrictions

He added that under the proposals families with incomes below $23,000 would be eligible for Pell Grants and those with incomes below $58,000 would be eligible for a guaranteed loan. These new eligibility standards, he said, are less restrictive than previous proposals, which would have limited aid to students from families with incomes below a certain level.

William J. Bennett

"That's the advantage of this approach," he said. "It is responsive to individual circumstances, and aid goes to the truly needy."

But the higher-education officials who gathered outside the Education Department challenged those assumptions. "Bill Bennett lives in a dream world," said Mr. Parnell of the junior-colleges group.

Congressional Prospects

Representative Augustus F. Hawkins, Democrat of California and chairman of the House Education and Labor Committee, predicted that the proposals would face trouble in the Congress. "Enactment of the Administration proposals would dismantle the federal role in higher education and effectively deny a postsecondary educational experience to all but the very rich, the unusually bright, and a few of the nation's poorest students," he said.

But Education Department officials predicted that this year, because of pressures to reduce the federal budget deficit, the proposals would stand a better chance of enactment than in prior years, when similar ideas were rejected.

Mr. Bennett suggested last week that the proposals could be considered during deliberations over the reauthorization of higher-education programs.

The House passed its version of a reauthorization bill in December, calling for more spending than the Administration has proposed. And the Senate Labor and Human Resources Subcommittee on Education has approved a version of the higher-education bill that also calls for greater spending.